

Anger over British monopoly of cheap North Sea chemicals

By John Huxley

British-based petrochemical companies have been accused of combining to ensure that "outsiders" are prevented from gaining access to cheap North Sea feedstocks.

The General and Municipal Workers' Union has criticized multinational companies who oppose plans by American "outsider" Dow Chemical to set up an ethylene cracker at Nigg Bay on the Cromarty Firth.

Mr David Warburton, a national industrial officer of the GMWU, says that the companies prove they are "defenders of a sectional monopoly interest, unfit to handle the strategic decisions which face the industry" by lobbying against the proposals.

In a policy statement on the use of North Sea feedstocks, liquid gases, Mr Warburton

welcomes the Dow plans. He says that if sanctioned they would mean a £500m investment, the creation of thousands of jobs in construction and many in the chemicals sector.

"Most important of all, it would boost the United Kingdom's ethylene capacity and our ability to exploit to the maximum extent secure feedstock supplies.

"Government sanction for the plan should, of course, make participation in supplies from the new (gas gathering) pipeline conditional upon the construction of an ethylene plant at Nigg Bay, rather than the export of natural gas liquids to the Continent", Mr Warburton said.

Dow's proposals, which remain tentative, depend upon access to gas liquids through a North Sea gas-gathering pipeline system. A decision to go

ahead with such a system, at a cost of up to £2,000m, is expected to be made soon.

British-based petrochemical companies such as Shell Chemical, ICI and BP Chemicals, have made their concern over the Dow plan well known in Government circles. Their unease arises partly from potential over-capacity for production of ethylene.

Yesterday, industry management and union leaders had discussions with Sir Keith Joseph, the Secretary of State for Industry. They told him that last opportunity to cut back on imports.

A report produced by the sector working party of the National Economic Development Office, says that if imports continue to rise and exports to stagnate, Britain's share of the EEC plastics market will be well below available capacity.

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